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NEWS RELEASE

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PSC APPROVES PROPOSED EKPC TRANSMISSION LINE
Project is in Clark, Madison and Garrard counties

FRANKFORT, Ky. (Sept. 19, 2007) – The Kentucky Public Service Commission (PSC) today approved a proposal by East Kentucky Power Cooperative Inc. (EKPC) to construct an electric transmission line in Clark, Madison and Garrard counties.

EKPC requested a certificate to construct 35.6 miles of 345 kilovolt transmission line from the J.K. Smith Generating Station in Clark County to the proposed West Garrard substation near Lancaster. Nine miles of the line would be constructed on new right of way and 14.8 miles would be built parallel to an existing transmission line. The remaining 11.8 miles would consist of a rebuild of existing transmission lines.

In today's order, the PSC said that selected route is preferable because it requires the least amount of new right of way and thus affects fewer property owners. The PSC has urged utilities to locate new lines to minimize the need for right of way acquisition. The PSC noted that, at a cost of about \$38 million, the route is the most expensive of the three best options identified by EKPC.

The PSC said that "it is mindful of the concerns of landowners and local residents" who did not want the line on or near their properties. While some properties crossed by the line may lose value, the PSC noted that the determination of the amount of any compensation to those landowners falls outside its jurisdiction

The PSC found that EKPC demonstrated that the line is needed to serve growing demand. The line would carry power from new generating units to be built at the Smith station.

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Today's order grants EKPC limited flexibility to move the planned location of the line in order to address unexpected construction issues. However, any major changes to the route will require the utility to file a new application.

EKPC is an electric generation and transmission cooperative owned by the 16 distribution cooperatives to which it supplies power. Those cooperatives serve about 505,000 customers in 89 counties in eastern and central Kentucky.

Today's order and related documents are available on the PSC Web site, psc.ky.gov. The case number is 2006-00463.

The PSC is an independent agency attached for administrative purposes to the Department of Public Protection in the Environmental and Public Protection Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in the commonwealth of Kentucky and has approximately 110 employees.

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